

## Message Text

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TAGS: ELAB, PINT, CE

SUBJ: LABOR DISPUTE AT GOVERNMENT-OWNED TEXTILE FACTORIES

1. SUMMARY: A LABOR DISPUTE INVOLVING TWO GOVERNMENT-OWNED TEXTILE FACTORIES HAS BECOME AN IMVHRTANT ISSUE AROUND WHICH RIVAL POLITICAL PARTIES ARE ATTEMPTING TO AROUSE NEW OPPOSITION TO THE GOVERNMENT. THE DISPUTE, WHICH HAS CONTIGUED OVER SEVERAL MONTHS, HAS INVOLVED A WORKER SUSPENSION, WORK SLOW DOWNS, LOCK-OUTS, AND AN UNFAIR LABOR PRACTICES SUIT. GOVERNMENT OPPOSITION UNIONS ARE STAGING PROTEST RALLIES WHICH THEY HOPE WILL BE FOLLOWED BY STRIKES AT SEVERAL GOVERNMENT PLANTS. END SUMMARY.

### 2. GROWING DISCONTENT

A NAGGING TRADE UNION DISPUTE AT THE GOVERNMENT-OWNED TUL-HIRIYA TEXTILE FACTORY THREATENS TO DISTURB THE RELATIVE QUIET ENJOYED IN RECENT MONTHS ON THE SRI LANKA LABOR FRONT. DATING BACK SEVERAL MONTHS, THE DISPUTEREACHED SERIOUS PORPORTIONS WHEN ON MARCH 18, THE 5,000 STRONG WORK FORCE WAS LOCKED OUT OF THE FACTORY. THE LOCK-OUT FOLLOWED A WORK SLOW-DOWN WHICH WAS STAGED TO PROTEST THE SUSPENSION OF A TRADE UNION LEADER EMPLOYEE FOR ALLEGED ATTEMPTS TO INCITE WORKER PRO-

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PAGE 02 COLOMB 02682 100316Z

TESTS IN THE FACTORY.

### 3. MANAGEMENT CHANGE

IN FEBRUARY OF THIS YEAR A PRIVATE FIRM TOOK OVER MANAGEMENT RESPONSIBILITIES AT THE PLANT. THE TAKEOVER WAS PURSUANT TO A GOVERNMENT DECISION OF SOME MONTHS BEFORE TO HAND OVER MANAGEMENT RESPONSIBILITIES IN A NUMBER OF LARGE TEXTILE

FACTORIES TO PRIVATE MANAGERS IN AN ATTEMPT TO BOOST LAGGING PRODUCTION. UNIONS, ESPECIALLY THOSE ALIGNED WITH THE SRI LANKA FREEDOM PARTY, (SLFP), LANKA SAMA SAMAJA PARTY (LSSP), AND COMMUNIST PARTY (CP) OPPOSED THE GOVERNMENT'S DECISION. SUSPENSION OF THE TRADE UNION LEADER, THE WORK SLOW-DOWN AND THE LOCK-OUT ARE RESULTS OF CONTINUED LESS SEVERE MANIFESTATIONS OF DISCONTENT.

4. MANAGEMENT ACTIONS TO RESOLVE DISPUTE

ATTEMPTS BY THE FACTORY MANAGEMENT TO GET THE WORKERS TO RETURN TO THE FACTORY, FIRST THROUGH PROMISES OF BETTER WORKING CONDITIONS, AND LATER BY THREATS, HAVE NOT BEEN VERY SUCCESSFUL. ABOUT 4,000 WORKERS ARE STILL OUT. MANAGEMENT HAS THREATENED TO DISMISS THOSE WHO HAVE NOT RETURNED.

5. UNION CHARGES

MOST OF THE 1,000 OR SO WORKERS WHO RETURNED TO WORK ARE MEMBERS OF THE UNITED NATIONAL PARTY (UNP) UNION. RIVAL UNIONS AFFILIATED WITH THE PARTIES MENTIONED IN PARA 2 ARE NOW ACCUSING THE UNP GOVERNMENT OF MAKING PRIVATE DEALS WITH THEIR UNION MEMBERS TO ENTICE THEM TO RETURN. THEY ALSO CHARGE THAT THE MANAGEMENT IS DEMANDING THAT WORKERS JOIN THE UNP UNION AND PLEDGE TO REFRAIN FROM PRODUCING DISRUPTING ACTIVITIES WHEN THEY RETURN TO WORK. THEY STATE THAT THEIR MEMBERS WILL NOT RETURN UNDER SUCH CONDITIONS.

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PAGE 03 COLOMB 02682 100316Z

6. SUIT FILED BY UNIONS DISMISSED

SEVERAL UNIONS JOINTLY FILED AN UNFAIR LABOR PRACTICES SUIT AGAINST THE MANAGEMENT IN APRIL. ON MAY 24 THE SUIT WAS DISMISSED, THE JUDGE RULING THAT DISMISSAL OF EMPLOYEES WHO FAILED TO RETURN TO WORK DID NOT CONSTITUTE AN UNFAIR LABOR PRACTICE. APPARENTLY THERE WAS NO PROOF THAT WORKERS WERE BEING REQUIRED TO JOIN THE UNP UNION AND MAKE OTHER PROMISES TO MANAGEMENT WHEN THEY RETURNED TO WORK.

7. ON MAY 25 A SECOND GOVERNMENT-OWNED TEXTILE FACTORY WAS SHUT DOWN WHEN THE 3,000 MEMBER WORKFORCE WALKED OUT. STRIKING IN PROTEST TO THE ACTIONS OF THE TULHIRIYA MANAGEMENT, AND THE GOVERNMENT'S LACK OF ACTION, WORKERS AT THE PULGODA FACTORY PLANNED TO STAY OUT UNTIL MAY 31. HOWEVER, THE MANAGEMENT AT PULGODA FOLLOWED MUCH THE SAME COURSE AS THEIR COLLEAGUES AT TULHIRIYA AND LOCKED THE WORKERS OUT OF THE FACTORY. THEY REMAIN OUT AMID UNION CHARGES THAT THE PULGODA MANAGEMENT IS DEMANDING THE SAME CONDITIONS OF RETURNING WORKERS AS THOSE ALLEGEDLY REQUIRED AT TULHIRIYA.

8. PROTEST RALLY PLANNED

AFFILIATES OF THE SLFP, LSSP, AND CP UNIONS AT THE TULHIRIYA

FACTORY HELD A PROTEST RALLY TO EXPRESS THEIR SYMPATHY AND SUPPORT FOR THE TULHIRIYA TEXTILE WORKERS MAY 31 AT THE NEW TOWN HALL IN COLOMBO. A SIMILAR RALLY IS SET FOR JUNE 9 AT PULGODA. IF THE RALLIES CAN GENERATE ENOUGH SYMPATHY AND SUPPORT THE UNIONS PLAN TO ORGANIZE TOKEN STRIKES AT SEVERAL OTHER GOVERNMENT-OWNED FACTORIES.

9. COMMENT:

IT IS UNCLEAR WHY THE GOVERNMENT HAS STEADFASTLY AVOIDED PUBLIC INVOLVEMENT IN THESE DISPUTES. THE PLAN TO PLACE TEXTILE FACTORIES AND SOME OTHER GOVERNMENT-OWNED PLANTS UNDER PRIVATE MANAGEMENT HAS NEVER ENJOYED POPULAR SUPPORT. PERHAPS IT WAS FELT THAT THE APPEARANCE THAT MANAGEMENT HAD TO RELY ON GOVERNMENT HELP TO SETTLE FACTORY LABOR DISPUTES WOULD

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PAGE 04 COLOMB 02682 100316Z

REDUCE THE PLAN'S CHANCES FOR SUCCESS. THE TULHIRIAY QUARREL COULD PROBABLY HAVE BEEN SETTLED QUICKLY IF THE GOVERNMENT HAD INTERVENED EARLY TO ASSIST IN RESOLVING IT. PERMITTING IT TO DRAG ON AND TO GROW HAS ALLOWED THE SPREAD TO PULGODA AND HAS GIVEN RIVAL POLITICAL GROUPS AN ISSUE AROUND WHICH TO RALLY LABOR OPPOSITION TO THE GOVERNMENT, SOMETHING THEY HAVE FOUND INCREASINGLY DIFFICULT TO COME BY IN RECENT MONTHS. IT IS UNLIKELY THAT DIRECT GOVERNMENT INTERVENTION CAN BE AVOIDED IF THE PROTEST RALLIES REFLECT STRONG SUPPORT BY VARIOUS TRADE UNIONS FOR THE TEXTILE WORKERS.

10. TULHIRIYA IS THE LARGEST GOVERNMENT-OWNED TEXTILE FACTORY AND PULGODA IS ALSO AN IMPORTANT PRODUCER. A SHORTAGE OF TEXTILES ON THE DOMESTIC MARKETS HAS LONG BEEN A SERIOUS PUBLIC COMPLAINT. THE NEW GOVERNMENT WAS PROUD OF ITS ACTIONS WHICH RESULTED IN AN INCREASE IN THE AVAILABILITY OF TEXTILES SHORTLY AFTER COMING TO POWER. THE GOVERNMENT CAN WELL DO WITHOUT A TEXTILE SCARCITY PROBLEM TO ACCOMPANY THE ALREADY SERIOUS ECONOMIC EFFECTS OF THESE DISPUTES. IT WILL NOT BE EASY TO CONVINCE THE WORKERS THAT THEY SHOULD RETURN TO THE FACTORY AND COOPERATE WITH THE NEW MANAGEMENT. HOWEVER, EVEN IF THIS IS ACCOMPLISHED, ACCUSATIONS THAT THE UNP UNION USED ITS POLITICAL CONNECTIONS WITH THE GOVERNMENT TO FURTHER ITS ENDS AT THE PLANT AT THE EXPENSE OF NON-UNP WORKERS WILL NOT BE SOON FORGOTTEN. WHETHER THE GOVERNMENT ENCOURAGED THIS REMAINS AN OPEN BUT NEVERTHELESS DAMAGING QUESTION.

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